

# OFFICIAL

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ATTACHMENT 4.22-C  
Page 1  
OMB NO.:

State/Territory: MINNESOTA

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## Citation

## Condition or Requirement

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1906 of the Act

State Method on Cost Effectiveness of Employer-Based Group Health Plans.

The following policies are considered cost effective by the Benefit Recovery Section and do not require further review:

- ▶ Policies where annual covered medical expenses exceed annual premium costs by 2:1 ratio (review insurance payment reports or the EOMB to determine benefit versus cost) and the client's medical condition remains the same.
- ▶ Policies covering people who have AIDS or who are HIV positive when the premiums are not substantially increased due to the policy conversion.
- ▶ Family coverage when premiums are \$100 or less per month.
- ▶ Policies covering a pregnant woman's maternity care. (Request that the Benefit Recovery Section review the policy at the end of 60-day postpartum period or if coverage of maternity care is unclear.)
- ▶ Children covered by policies when the child is:
  - Receiving MA under the Children's Home Care Option (TEFRA) if the child's portion of the premium is \$50 or less.
  - Receiving MA as part of subsidized adoption assistance if the child's portion of the premium is \$50 or less.
  - Receiving MA while living in an ICF-MR or NF when medical coverage is accessible to the child.

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Citation

Condition or Requirement

- Receiving MA while hospitalized (request the Benefit Recovery Section to review the policy 6 months after discharge).
- ▶ Medicare Part A premiums when the client is QMB or QWD eligible.
- ▶ Medicare Part B when the client enrolls timely (paying the base rate for coverage) and is not enrolled in a group policy which terminates with enrollment in Medicare.
- ▶ Medicare Supplement/Plus policies with drug coverage if the client's monthly drug expense exceeds the premium cost.
- ▶ Policies covering LTCF residents when, at a minimum coverage includes the Medicare co-insurance for the current nursing facility stay. (Request the Benefit Recovery Section to review the policy at the end of 3 months.)

The following policies are not cost effective and do not require Benefit Recovery Section review:

- ▶ Medicare supplement policies for clients with routine medical needs. The only exception is a policy with drug coverage if the client's prescription needs exceed the premium.
- ▶ Hospital indemnity policies which provide cash payments for each day in a hospital or nursing facility if the client is not currently collecting benefits.

Send all other policies to the Benefit Recovery Section for review of cost effectiveness. To request a cost effectiveness review send the Benefit Recovery Section:

- ▶ Three copies of a completed DHS-2841 (with particular attention to Section 4.
- ▶ A copy of the health care policy.
- ▶ The client's prorated cost of the health care premium.
- ▶ Available payment reports or Explanation of Medical Benefits (EOMB).

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